



## **FOSTER CARE PAYMENT**



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DEPARTMENT OF HUMAN SERVICES

CHARLES M. PALMER, DIRECTOR

August 1, 1995

MANUAL LETTER NO. XIII-J(1)-25

ISSUED BY: Bureau of Alternative Living Services  
Division of Adult, Children and Family Services

SUBJECT: DHS/JCS IV-E Agreement

**Summary**

An agreement between DHS and the State Court Administrator's Office makes it possible to obtain federal IV-E funding for juvenile court services (JCS) cases previously known as "payment only" cases. DHS has agreed that DHS staff will:

- Make case entries into FACS.
- Process payments.
- Send Placement Agreement to refer the child to providers.
- Refer cases to FCRU the same as for other foster care cases.
- Provide Medicaid and Foster Care Recovery services.

The agreement spells out the responsibilities of income maintenance, foster care recovery, juvenile court officers, and DHS local, regional, and central office staff. While some activities remain unchanged, there are additional duties in some instances. A summary of the agreement is attached to this manual letter. Each regional administrator and chief judicial court officer has a copy of the full agreement.

All forms for use by the juvenile court officers for IV-E agreement cases are carried at Anamosa at this time and may be ordered directly by the judicial district. If you have a local agreement to provide the forms, you may continue to do so. Juvenile court officers have received training on the use of the forms.

The FACS system will "read" these cases for IV-E federal financial participation eligibility the same as for other foster care cases, so it is important to obtain and record the needed IV-E information from the juvenile court officer.

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The effective date for IV-E Medicaid eligibility may be set back to March 1, 1995, for current placements, as long as all IV-E eligibility standards are met. For new placements IV-E Medicaid eligibility may be established no more than three months before the month of application, when all IV-E eligibility standards are met.

We look forward to a successful DHS/JCS collaboration on this agreement.

Effective Date

Immediately.

Additional Information

Refer any questions on this material to the regional service administrator.

Attachment

## SUMMARY: FOSTER CARE AGREEMENT BETWEEN IOWA DHS AND JUDICIAL DEPARTMENT

The agreement was signed by DHS Director Charles M. Palmer and State Court Administrator William J. O'Brien on March 1, 1995. It will be effective until June 30, 1996. The agreement is subject to changes in state and federal laws or policies. David Boyd, for the Court and Mary Nelson, for DHS, are responsible for the administration of the agreement.

### Foster Care

<i>Judicial Department Responsibilities</i>	<i>Department of Human Services Responsibilities</i>
<p>Provide each child with protections found in Section 427 of Title IV-E of the Social Security Act and Iowa's Title IV-E Plan.</p> <p>Make child's case file available for review by DHS, its authorized agents, the State Auditor's Office, or federal reviewers, so DHS can perform its oversight responsibilities.</p> <p>Maintain a file with:</p> <ul style="list-style-type: none"> <li>• Chronological narrative of contacts</li> <li>• Documentation of IV-E eligibility</li> <li>• Case plan that meets Section 427 standards</li> </ul>	<p>Foster care staff (DHS service worker):</p> <ul style="list-style-type: none"> <li>• Make computer entries necessary to process payments.</li> </ul> <p>Division of ACFS:</p> <ul style="list-style-type: none"> <li>• Administer state plans for IV-B, IV-D, IV-E, and Title XIX.</li> <li>• Issue policies, rules and regulations on program matters.</li> <li>• Provide employees manuals, clarification requests, interpretive memos and federal foster care policy.</li> <li>• Give 30-day prior notice when changes are anticipated.</li> <li>• Prepare an annual report of expenditures under this agreement.</li> </ul> <p>DHS:</p> <ul style="list-style-type: none"> <li>• Provide training to JD personnel who enroll in DHS courses, policy meetings, or other training sessions.</li> </ul>

## Foster Care Recovery

<i>Judicial Department Responsibilities</i>	<i>Department of Human Services Responsibilities</i>
<p>Initiate court-ordered support obligation by sending parent's names to DHS on one of two DHS forms.</p> <p>When child receives (or may be eligible to receive) unearned income:</p> <ul style="list-style-type: none"> <li>• Ask parents to apply for benefits for which the child may be eligible (and do this for them if they have not done so in 30 days).</li> <li>• Refer appropriate cases to SSI Advocacy Project within 30 days.</li> <li>• Notify DHS Bureau of Finance if a child receives SSI or other unearned income.</li> </ul>	<p>Foster Care Recovery Unit staff:</p> <ul style="list-style-type: none"> <li>• Provide the Chief JCO with the name of a foster care recovery contact person for each DHS region.</li> <li>• Determine parental liability recommendations, inform the JD worker, and present to the court or establish an obligation under Iowa Code Chapter 252C.</li> <li>• Open and maintain data files.</li> <li>• Contact child or parents to complete additional parental liability information not known by the JD worker.</li> </ul> <p>Service worker:</p> <ul style="list-style-type: none"> <li>• Apply for DHS to be named payee for SSI or other payments if the child will be in care over 90 days.</li> </ul>

## IV-E and Medicaid Eligibility Determination

<i>Judicial Department Responsibilities</i>	<i>Department of Human Services Responsibilities</i>
<p>For foster care and PMIC placements:</p> <ul style="list-style-type: none"> <li>• Give parents FC Medicaid Application within three days of placement, complete if parents do not return form within five days, return to IM worker two days after its return.</li> <li>• Send completed IV-E FC Service Standards form to IM within five days of placement.</li> <li>• Ask parents to apply for Social Security card; apply for them after 30 days.</li> <li>• Notify IM of any changes in eligibility and answer IM questions.</li> <li>• Participate in reviews by following time lines and delivering or completing FC Service Standards form every six months, FC and Subsidized Adoption Review every 12 months, and Public Assistance Eligibility Report (PAER) every month.</li> <li>• For IV-E-eligible children placed out of state, tell providers to apply for Medicaid in their state.</li> <li>• Advise the foster care provider to take the child to the assigned managed health care provider (if the child resides in a county in which Medicaid recipients participate in Managed Health Care) until notice is received to discontinue managed health care.</li> <li>• Work with IM to acquire information for subrogation, health insurance, and Health Insurance Premium Payment (HIPP) program.</li> </ul>	<p>Service worker:</p> <ul style="list-style-type: none"> <li>• Open and maintain data files for payment</li> <li>• Send Placement Agreement to refer the child to providers.</li> </ul> <p>IM worker:</p> <ul style="list-style-type: none"> <li>• For PMIC cases, open and maintain data files for payment.</li> <li>• Contact JD staff for information needed for eligibility determination.</li> <li>• Determine Medicaid and IV-E eligibility, notify and maintain Medicaid ABC case.</li> <li>• Complete eligibility redetermination when the child leaves foster care and notify appropriate persons of the decision.</li> <li>• Notify the JD when IV-E or Medicaid eligibility review are due.</li> </ul> <p>Division of Medical Services:</p> <ul style="list-style-type: none"> <li>• Provide Medicaid manual and forms for each judicial district office.</li> </ul> <p>Regional administrator or designee:</p> <ul style="list-style-type: none"> <li>• Serve as the contact person for Title IV-E and Medicaid eligibility questions.</li> </ul>

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FOSTER CARE PAYMENT

The Department's responsibility for foster care payment is broader than its responsibility for foster care services. The policies and procedures for payment in this chapter are the same for all children for whom the Department has payment responsibility, regardless of whether the services are provided under Department supervision.

The Code of Iowa provides that individuals and their parents or guardians have primary responsibility for paying the cost of care and services provided by the Department, consistent with their incomes and resources. When state funds are used to pay for foster care, the Department pays the provider for the foster care and recovers funds from the parents and child according to provisions in XIII-J(2), "Foster Care Recovery." When Medicaid funds are used to pay for services for foster care placement at specialized psychiatric institutions, the Department pays the difference between client participation and the facility's medical per diem rate according to provisions in this chapter.

Eligibility requirements for foster care services and state payment for foster care placement are found in XIII-J, FINANCIAL ELIGIBILITY FOR FOSTER CARE. In some cases the Department can get federal matching funds to offset foster care costs. Eligibility requirements for Title IV-E Foster Care Assistance are included in this chapter. Eligibility for Social Services Block Grant funding is covered in XIII-A. Eligibility for Refugee Resettlement funding is covered in XIII-F.

LEGAL BASIS

Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980, created a new division E under Title IV of the Social Security Act, titled "Federal Payments for Foster Care and Adoption Assistance." The purpose of the law was to strengthen the program of foster care assistance for needy and dependent children.

Other federal laws governing the use of federal funds for foster care include Title IV-B of the Social Security Act and Social Services Block Grant legislation. Title IV-B and IV-E regulations are found in Title 45 of the Code of Federal Regulations, Chapter XIII, Subchapter G; those for the Social Services Block Grant in Title 45 of the Code of Federal Regulations, Part 96, Subpart G.

Iowa Code Chapter 234 in Sections 35 through 39 authorizes the Department to pay for foster care. The legislature establishes specific levels of reimbursement through appropriations bills. Administrative rules for foster care payment are found in IAC 441--156, for purchase of service contracts in IAC 441--150, and for Social Services Block Grant funds in IAC 441--130.



FOSTER CARE PAYMENTWORKER RESPONSIBILITIES**Policy**

When a child becomes eligible for foster care payment, the caseworker has the following responsibilities:

- A. Determine whether the child is eligible for Social Services Block Grant funding for services.
- B. Determine the maintenance costs of the child's placement.
- C. Determine the income and resources available to the child and the contribution the child shall make toward the cost of foster care.
- D. Obtain a Medicaid application from the child's parents, guardian or other responsible persons (relative, guardian ad litem, attorney) and facilitate a timely determination of IV-E and Medicaid benefits by the IM worker.
- E. Apply for a social security number for the child, unless the child has a number or the parents will apply.
- F. Determine the financial situation of the parents and provide information to the Foster Care Recovery Unit.
- G. Determine whether the child is eligible for IV-E funding for foster care maintenance, in cooperation with the IM worker.
- H. Determine whether the child has a disability that could qualify for SSI, and, if so, help the parents apply or apply on the child's behalf.
- I. Give adequate and, when required, timely notice to the client of Department decisions regarding foster care services.

**Comment**

These responsibilities apply to all cases where the Department is making foster care payment, including those that the Department does not supervise. (When foster care is court-ordered, the court assumes part of the responsibility for parental liability determination.) Specific policies and procedures for each of these responsibilities are found in this chapter, XIII-J(2), XIII-J(3), XIII-A (for Social Services Block Grant funding), and I-E (for notice requirements). Income maintenance responsibilities for IV-E eligibility determination are also covered in VIII-H.

FOSTER CARE PAYMENTWORKER RESPONSIBILITIES (Cont.)**Procedure**

The results of these determinations shall be documented in the case record and entered into the Service Reporting System and the Automated Benefit Calculation System as prescribed by XIV-A for SRS and by XIV-B, XIV-B(5), and XIV-B-Appendix for ABC.

**Comment**

Entries on these systems govern the amount of payment and the source of funds for payment.

**Initial Determination****Policy**

Whenever possible, the worker shall complete all of these determinations on or before the date that the child enters foster care placement.

**Comment**

Cases cannot be entered into the Service Reporting System or the Automated Benefit Calculation System without assigning funding sources. If entries are made without making all of these determinations, it is likely that sources of public and private funds to offset foster care expenses are overlooked. If expenses are charged to federal funds without an accurate eligibility determination, these errors can result in fiscal sanctions against the Department.

**Redetermination****Policy**

When a service worker becomes aware of a change in circumstances of the child or the family which might affect the amount of support available to a child or the child's eligibility for federal funding for maintenance or Medicaid benefits, the worker shall determine the impact of the change, enter corrected information, and inform the IM worker via the *Exchange of Information*, form 470-2708.

**Comment**

See XIII-J-Appendix for instructions for form 470-2708. Redetermination does not affect the date of review.

FOSTER CARE PAYMENT**WORKER RESPONSIBILITIES** (Cont.)**Redetermination** (Cont.)**Comment** (Cont.)

## EXAMPLES:

1. The child moves to a facility with a lower maintenance cost. The service worker shall determine the effect of this change on the amount of the parental liability and any contribution from the child. This could affect the child's eligibility for Title IV-E and Medicaid federal funds (determined by the IM worker).
2. The parent reports loss of a job and medical insurance coverage. The worker shall determine the effect of this change on parental liability and enter the change of insurance coverage in the ABC system. If the child's Medicaid eligibility is being determined with the family at home, this information should be provided to the IM worker.

**Review****Policy**

Every six months, the worker shall do a complete review of the payment determinations, including all the factors listed under WORKER RESPONSIBILITIES.

**Comment**

Specific procedures are included in the sections pertinent to each determination. Periodic review is necessary to verify the information being used to determine payment sources and to comply with federal requirements in the Social Services Block Grant, Title IV-E Foster Care Assistance, and Medicaid Programs.

**Notification****Policy**

The worker shall notify the client orally and in writing when services or assistance is approved and when the Department proposes to take adverse action regarding services or assistance.

FOSTER CARE PAYMENTWORKER RESPONSIBILITIES (Cont.)Notification (Cont.)**Comment**

Adverse action is defined as termination, reduction, or suspension of services or benefits. For the purposes of this policy, all types of foster care placement and funding are considered to be part of a single "service"; changes among them do not constitute an adverse action. Similarly, when foster care payment is stopped because the child is temporarily absent from placement but is expected to return, this does not constitute a suspension of eligibility.

Medicaid is a separate program with specific notice and eligibility requirements. Issuing specific notice regarding the Medicaid program is the responsibility of the assigned IM worker.

**Legal reference:** 441 IAC 7.7(17A)

**Procedure**

Give notice to the child and to the child's parent or guardian (if at a different address) using form 470-0602, *Notice of Decision: Services*. Include reasons and manual references in the notice. Example:

Your eligibility for foster care services ends _____ (date) because (reason and manual reference).
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When there is a change (reduction or suspension of services or benefits) in the child's situation that may affect the child's Medicaid eligibility, notify the IM worker of the change via the *Exchange of Information*. The IM worker will then complete the automatic redetermination and issue a notice regarding Medicaid benefits.

**Comment**

Further information on notice requirements is found under separate program and funding sections in this chapter; in 18-A, **Issuing Notification**; and in 1-E, **NOTICE OF DECISION**. See 18-Appendix for instructions for form 470-0602.

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Reserve page 6 for future use.

FOSTER CARE PAYMENT

Reserve pages 7 through 25 for future use.

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT**Policy**

The Department shall pay for each day of foster care while the child is in placement. Exceptions are:

- ◆ Placements in shelter care facilities participating in the alternative payment system.
- ◆ Days covered by reserve bed payments.
- ◆ Foster family care respite days.

Payment is made for the day the child enters placement, but not the day the child leaves placement. (Exception: See **Reserve Bed Days**.) If the child enters and leaves placement on the same day, the Department pays for that day of foster care.

Except for independent living maintenance payments, payments are issued at the end of the month in which the care was provided, or when the child leaves the facility, whichever is sooner.

| Payment is based on a daily rate, regardless of the number of days in the month. Payment for a stay of less than a full month is prorated at the daily  
| maintenance rate.

**Comment**

This policy assumes that the Department has the authority to pay for foster care as discussed under **Legal Status** in XIII-J.

In order for the child to be considered in placement, Department licensing rules and the Department's policies and procedures regarding intake must be followed. Specific licensing requirements related to intake are found in XII-A, 12-B, and XII-C.

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)**Comment** (Cont.)

When a child enters placement and leaves on the same day, whether due to running away or a change in placement decision, the facility has provided services and shall receive payment.

**Procedure**

Maintenance payments for a full month of care and for children who enter a placement during the month and stay through the end of the month are generated automatically each month by the Automated Benefit Calculation (ABC) System. Maintenance payments for children placed during the month must be prorated by the worker. See XIV-B(5) for specific procedures.

The number of days paid is calculated as follows:

- A. Full month (any length): 30 days.
- B. Entering (or in care) the first of the month, leaving during the month:  
Date leaving minus one.
- C. Entering during the month, leaving during the month: Date leaving minus date entered.
- D. Entering during the month, staying into next month: Last day of the month minus date entered plus one.

**EXAMPLES:**

1. Aaron A. is placed in foster family care February 1 and leaves May 1. Payment is made for 30 days of care in February, March, and April. No payment is made for May.
2. Barbara B. leaves placement in a foster family home on June 24. Payment is made for 23 days in June.  $(24 - 1 = 23)$
3. Chuck C. is placed in a foster home on September 4 and leaves September 18. The foster home is paid for 14 days of care.  $(18 - 4 = 14)$
4. Dawn D. is placed in a foster family home on October 26. The foster home is paid for 6 days in October.  $(31 - 26 + 1 = 6)$



FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)Youth Age 18 and Older**Policy**

Foster care payments to youth age 18 and 19 shall be limited to those who are eligible based on the definition of a child, age, type of placement, and a voluntary placement agreement, as follows:

1. Except for unaccompanied refugee minors and youth granted exceptions as provided in paragraph 3, payment for youth who are 18 years of age shall be limited to foster family care or independent living.
2. Except for unaccompanied refugee minors and youth granted exceptions as provided in paragraph 3, payment for youth who are 19 years of age shall be limited to independent living.
3. The regional administrator or designee shall grant an exception for payment for group care for a youth age 18 or 19 or for a family foster care for a youth age 19, when the child meets all the following criteria:
  - a. The child does not have mental retardation.
  - b. The child is at imminent risk of becoming homeless or of failing to graduate from high school or obtain a general equivalency diploma. "At imminent risk of becoming homeless" shall mean that a less restrictive living arrangement is not available.
  - c. The placement is in the child's best interests.
  - d. Funds are available in the region's allocation. When the regional administrator has approved payment for foster care, funds which may be necessary to provide payment for the time period of the exception, not to exceed the current fiscal year, shall be considered encumbered and no longer available.

**Comment**

See XIII-J, ELIGIBILITY FOR FOSTER CARE: Legal Status: Voluntary Placement for Children Aged 18 or Older for information on placement agreements.

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)Youth Age 18 and Older (Cont.)**Comment** (Cont.)

Funding for services for persons with mental retardation is the responsibility of the county when the person has legal settlement pursuant to Iowa Code Section 222.60(1).

The region may wish to establish a committee to review eligibility for youth currently receiving services who have been recommended by their case worker to receive a payment exception when they are no longer eligible for foster care payments due to age. The region may also want to involve its independent living specialist.

**Legal reference:** 441 IAC 156.20(1)"b," 202.1(3), and 202.3(3)

**Procedure**

Each region's funding allocation shall be based on the region's portion of the total number of children in foster care on March 31, 1992, who would no longer be eligible for foster care during the fiscal year beginning July 1, 1992, due to age, excluding unaccompanied refugee minors.

Each region shall establish a review process to determine when to grant exceptions and a monitoring system to track fiscal and program data.

A timely notice of decision shall be sent to each youth determined to be no longer eligible for foster care. The notice for an exception that has not been approved should state why the youth failed to meet all the criteria for an exception to be granted.

The child's eligibility for the exception shall be documented in the case record. An exception that is approved should include type of placement, time period, total cost of services, and why it has been approved.

**Purchase of Service Agreement Required For Payment****Policy**

Except for payments to foster parents or youth in independent living, foster care payment shall be limited to providers with a purchase of service contract in force.

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)Purchase of Service Agreement Required For Payment (Cont.)**Policy** (Cont.)

If a child was placed before July 1, 1992, in a facility reimbursed through a mechanism other than purchase of services, payment may continue through September 30, 1992. After that date payment shall be made only through a purchase of service agreement.

**Comment**

As of September 30, 1992, a POS contract must be in force for payment to be made from foster care funds. Juvenile court service workers may place children in a non-POS facility, but the Department is unable to pay for that placement from foster care funds.

**Legal reference:** 441 IAC 156.20(2); Iowa Code Section 234.35

Clothing Allowances**Policy**

When in the judgment of the worker clothing is needed at the time the child is removed from the child's home and placed in foster care, an allowance may be authorized, not to exceed \$250.00, to purchase clothing.

The worker may approve a second clothing allowance, not to exceed \$100.00, not more than once within a calendar year when a child in foster care needs clothing to replace lost clothing or because of unusual growth or weight change, and the child does not have escrow funds.

**Comment**

The clothing allowance shall be used for children in foster family care and group care. A clothing allowance usually is not needed for children in shelter care, because the placements are short term. When children move from one foster home to another, the foster parents are responsible for passing on clothing accumulated during the child's stay in the home.

**Legal reference:** 441 IAC 156.8(1)

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)Clothing Allowances (Cont.)**Procedure**

Since the child and the child's parents are primarily responsible for the cost of the child's care, first approach the parents to supply the needed clothing. If clothing is not available from the child's family, explore the child's financial resources, including the child's escrow account, if any. If no resources exist, the allowance can be authorized. Document this determination in the case record.

Document in the case record requests for the initial \$250 allowance and for any additional allowance. Verbal approval is required before clothing is purchased.

Follow this sequence to administer the clothing allowances:

1. The worker and the foster care provider agree on the clothing items needed, and the worker gives verbal approval to the provider to purchase clothing, not to exceed \$250. Determine the immediate clothing needs within the first 30 days of foster care placement.
2. The foster care provider purchases the clothing and informs the worker of the cost of the clothing. If the entire allowance has not been spent during the month the purchases were approved, the remaining amount may be used as needed to purchase clothing during the year. The worker may request receipts if there are questions about the use of the clothing allowance.
3. The worker documents the total cost of clothing purchased in the case record, based on the provider's statement, and generates reimbursement through the ABC system. (See XIV-B(5) for instructions on generating the reimbursement through the ABC system.)

FOSTER CARE PAYMENTGENERAL FOSTER CARE PAYMENT (Cont.)Correction of Overpayments**Policy**

When a foster care provider is overpaid for foster care maintenance through the Automated Benefit Calculation (ABC) System, the worker shall notify the provider of the overpayment, request a refund, correct the payment history and, if necessary, request assistance to collect the refund.

**Comment**

If a foster care provider receives an overpayment, the worker is responsible for recovering the funds and correcting the payment history.

**Procedure**

Notify the provider of the overpayment and request a refund. This can be done verbally, and should be documented in the child's case record.

When a refund is received, issue the provider form AA-1201-0, *Official Receipt*. Send the refund and form AA-2320-0, *Correction of Payment History*, to the Department of Human Services Cashier, Room 14, Hoover State Office Building, Des Moines, Iowa 50319-0114. Instructions for completing form AA-2320-0 are found in XIII-J-Appendix. Instructions for form AA-1201-0 are found in XXIII-B-Appendix.

If the refund or a plan for making the refund is not received by the Department within ten days of notification by the Department, send a written request to the provider by certified mail.

If the refund is not received within 30 days of initial notification by the Department, request the assistance of the purchase of service project manager, or the regional service supervisor in direct foster family care services.

If the project manager or service supervisor is unable to secure a refund, the regional administrator or designee shall request the assistance of the Department of Inspections and Appeals.

FOSTER CARE PAYMENTSHELTER CARE**Policy**

Payment for shelter care from foster care funds is limited to youth under the age of 18.

The funds available for reimbursement of shelter care are limited to \$8,329,039 (state share: \$6,710,720) for fiscal year 1995. There shall be an allocation to each region based upon 96% of the licensed or approved shelter care beds in that region as of April 1, 1993. Upon written agreement of the affected regional administrators, regions may transfer shelter care funds from one region to another.

If it appears that shelter care utilization will exceed 96% of the beds licensed or approved as of April 1, 1993, payments to shelter care providers shall be prorated to ensure that the total does not exceed the dollars available for shelter care reimbursement.

No purchase of service contract for shelter care services for fiscal year 1995 shall guarantee payment for more than 96% of that shelter's licensed capacity as of April 1, 1993.

The reimbursement rate for shelter care is 2% over the provider's rate in effect June 30, 1993, up to a maximum of \$76.61 per day.

**Comment**

**Legal reference:** 441 IAC 156.11(3)

Payment Options**Policy**

Public and private juvenile shelter care facilities approved or licensed in Iowa have the option of selecting either of the following two methods of reimbursement subject to the limitation of state funds and the limit imposed by the cap at 96% of utilization of licensed beds noted above.

1. To be paid according to the Department's accounting, reporting, and reimbursement procedures established for the purchase of service system. The unit rate shall not exceed \$76.61 per child per day.
2. To be paid a monthly sum which is calculated by multiplying the agency's unit cost (as determined according to methods used in the purchase of service system) by the utilization factor.

FOSTER CARE PAYMENTSHELTER CARE (Cont.)Payment Options (Cont.)Policy (Cont.)

The utilization factor shall be either the average Department monthly utilization for the last 12-month period or the Department's projected utilization, whichever is greater. Only units of service for which the Department is authorized to pay shall be considered when determining the utilization factor.

No purchase of service contract for shelter care services for fiscal year 1994 shall guarantee payment for more than 96% of the shelter's licensed capacity as of April 1, 1993. The unit rate shall not exceed \$76.61 per child per day.

Comment

Shelter care has irregular, unplanned utilization. One day the facility may be at capacity and the next day it may be empty. This type of utilization can cause agencies cash flow problems. In order to promote the availability of shelter care beds and address the cash flow problem, the Department allows for an alternative payment system based on the average utilization for the previous 12 months.

**Legal reference:** 441 IAC 156.11(3), 150.3(234)

Procedure

If the facility elects to be paid according to the regular purchase of service reimbursement system, follow the procedures for payment of group care facilities found under Payment to Iowa Facilities.

If the facility chooses to be paid under the alternative system:

1. Complete form RS-1125, *Automated Benefit Calculation Turnaround Document*, following the instructions in XIV-B(5), except enter zeros into the benefit amounts in Field 151 of Section VI. The maintenance is not paid through ABC.
2. Complete form RS-1120-0, *Service Reporting System*, and review form AA-2241-0, *Purchase of Service Provider Invoice*, to ensure that the units of service are correct and that the billing amount is zero.

FOSTER CARE PAYMENTSHELTER CARE (Cont.)Payment Options (Cont.)Procedure (Cont.)

The Department's project manager and the facility complete form 470-0638, *Shelter Care Contract*, as discussed in XV-A-Appendix. The facility submits form 625-5297, *Claim Order/Claim Voucher*, at the end of each month. The billing amount is the product of the facility's utilization factor and the facility's unit cost. The facility's unit cost is the sum of the maintenance and service costs.

Comment

The alternative payment system for shelter care facilities uses form 470-0638 rather than the regular purchase of service contract. Both maintenance and service are paid at the end of each month through the submission of form 625-5297.

Six-Month AdjustmentsPolicy

Facilities participating in the alternative payment system for shelter care shall be reimbursed each six months for the units of service provided to the Department in excess of the six-month utilization factor.

The six-month periods shall end December 31 and June 30. The amount of reimbursement shall be determined by multiplying the facility's unit cost by the number of excess units.

The total reimbursement to the agency shall not exceed the facility's allowable costs under the purchase of service system. Agencies shall refund any payments which have been made in excess of the agencies' allowable costs.

Comment

The actual units of service provided will probably vary from the contracted amount. If the facility has provided more units, the Department pays the facility for the excess units.

If the facility has provided fewer units, the facility is not required to refund money unless the total Department payments to the facility have



FOSTER CARE PAYMENTSHELTER CARE (Cont.)Six-Month Adjustments (Cont.)**Comment** (Cont.)

exceeded the facility's allowable costs, as determined by the Purchase of Service Unit. This is unlikely to occur since the allowable costs of most facilities far exceed the Department's reimbursement rate.

**Legal reference:** 441 IAC 156.11(3)"a" and "b"

**Procedure**

The facility is responsible for submitting form 625-5297, *Claim Order/Claim Voucher*, to the Department within 30 days of the end of the six-month period. The Department is responsible for ensuring that the number of excess units is correct. If the facility is responsible for returning funds to the Department, inform the Bureau of Purchased Services so that they may coordinate this return.

**Reserve Bed Payments for Hospitalization and Preplacement Visits****Policy**

Payments for reserve bed days shall be made only when the intent of the Department and the facility shall be for the child to return to the facility after the absence. Payment shall be canceled and payments returned if the facility refuses to accept the child back.

Staff from the facility shall be available to provide support to the child and family during the absence. The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the child's quarterly report.

Payment for reserve bed days in shelter care shall be made under the following circumstances:

1. Hospitalization. Reserve bed payment shall be made for days a child is absent from the facility for hospitalization when the absence is in accord with the following:
  - a. The facility shall contact the worker at least 48 hours in advance of a planned hospitalization and within 24 hours after an unplanned hospitalization.

FOSTER CARE PAYMENTSHELTER CARE (Cont.)Reserve Bed Payments for Hospitalization and Preplacement Visits (Cont.)**Policy** (Cont.)

- b. Payment shall not exceed 14 consecutive days, except upon prior written approval of the regional administrator. In no case shall payment exceed 30 consecutive days.
- c. Payment shall be canceled effective the day after:
  - (1) The Department and the facility agree that the return would not be in the child's best interest, or
  - (2) A decision is made by the court or parent in a voluntary placement not to return the child.
- 2. Preplacement visits. Reserve bed payment shall be made when a child is making a planned preplacement visit to another foster care placement or an adoptive placement when the absence is in accord with the following:
  - a. The visits shall be consistent with the child's case permanency plan.
  - b. Payment shall not exceed two consecutive days.

**Comment**

Shelter care facilities are intended to provide emergency, short-term care until a more permanent living arrangement can be made. Allowing a shelter care bed to be "reserved" for a child should be consistent with the intention for shelter care.

Reserve bed payments in juvenile shelter care facilities shall be approved only when the child requires hospitalization or is on a preplacement visit. No other types of reserve bed payments in juvenile shelter care facilities shall be approved.

Because children in shelter care have often been "on the run" and may require medical treatment in a hospital, this policy allows reserve bed payments for that purpose. As preplacement visits are often required to obtain an appropriate placement for the child, up to 2 consecutive days are allowed to obtain a placement in a group or foster family home or an adoptive home.

FOSTER CARE PAYMENTSHELTER CARE (Cont.)Reserve Bed Payments for Hospitalization and Preplacement Visits (Cont.)**Comment** (Cont.)

Although this policy prohibits other types of reserve bed payments, it does not prohibit a child who leaves the facility for a planned or unplanned absence from continuing to be a resident of that facility for up to 24 hours. Many runaway youth are apprehended or return within a few hours. If doubt exists regarding a particular facility's discharge policy, consult with the facility's purchase of service project manager.

NUMBER OF RESERVE BED DAYS IN SHELTER CARE		
<u>Reason</u>	<u>Worker Approval</u>	<u>Regional Administrator Approval</u>
Hospitalization	Up to 14 consecutive days	Up to 30 consecutive days
Preplacement Visit	Up to 2 consecutive days	N/A

**Legal reference:** 441 IAC 156.10(3)

FUNERAL EXPENSES**Policy**

When a child under the guardianship of the Department dies, the Department will pay funeral expenses not covered by the child's resources, insurance, or other death benefits, the child's legal parents, or the child's county of legal settlement, not to exceed \$650.

The claim shall be submitted by the funeral director to the Department on a *Claim Order/Claim Voucher*, and shall be approved by the regional administrator. Claims shall be submitted within 90 days after the child's death.

FOSTER CARE PAYMENTFUNERAL EXPENSES (Cont.)**Comment**

For children not under Department guardianship, the parents or guardians are fully responsible for all funeral arrangements and expenses.

**Legal reference:** 441 IAC 156.8(5)

**Procedure**

For a child under Department guardianship with parental rights terminated, approach the county from which the child was committed to assume responsibility for arrangements and expenses. For a child under the guardianship of the Department with parental rights not terminated, approach both the parents and the county from which the child was committed to assume responsibility for arrangements and expenses.

Submit costs that are not assumed by the parents or the county of commitment on form 625-5297, a *Claim Order/Claim Voucher*. Forward the *Claim Order/Claim Voucher* to the regional administrator with a statement explaining the outcome of contacts with the county and parents. See XIII-J-Appendix for instructions on completing the *Claim Order/Claim Voucher*.

The parents or guardian, if in need, may ask the county for assistance from the general relief fund.



# STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR  
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
JESSIE K. RASMUSSEN, DIRECTOR

April 24, 2001

## GENERAL LETTER NO. 13-J(1)-34

ISSUED BY: Bureau of Alternative Living Services  
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title XIII, Chapter J(1), **FOSTER CARE PAYMENT**,  
Contents (page 1), revised; and pages 5, 6, 25, and 26, revised.

### Summary

The information in IV-E eligibility determination has been moved to Chapter 13-B. Information on SSI was previously moved to Chapter 18-G.

### Effective Date

Upon receipt.

### Material Superseded

Remove the following pages from Employees' Manual, Title XIII, Chapter J(1), and destroy them:

<u>Page</u>	<u>Date</u>
Contents (page 1)	November 16, 1993
5	August 14, 1990
6-11	September 15, 1992
12	November 5, 1996
12a	September 15, 1992
13, 14	August 14, 1990
15, 16	September 15, 1992
17, 18	August 14, 1990
19-26, 26a, 26b	September 15, 1992

### Additional Information

Refer questions about this general letter to your regional service administrator.